

**ENVIRONMENTAL MANAGEMENT PROGRAM – PHASE II****(TC-00-11-03-4-GY)****EXECUTIVE SUMMARY**

<b>Requester:</b>	Republic of Guyana	
<b>Executing Agency:</b>	Environmental Protection Agency (EPA)	
<b>Type of Technical Cooperation:</b>	Non-reimbursable	
<b>Amount and Source:</b>	IDB: (FSO)	US\$1,280,000
	Local:	US\$ 320,000
	Total:	US\$1,600,000
<b>Terms:</b>	Execution Period:	24 months
	Disbursement Period:	30 months
<b>Objectives:</b>	<p>The main objective is to consolidate a sustainable environmental management system for the country and to develop sector-wide capacity for the implementation of environmental programs. This objective will be achieved by (i) strengthening environmental management human resources capacity both within EPA and sector-wide and consolidating the institutional framework for environmental management, (ii) increasing the physical and financial capacity for implementation of environmental management programs and, (iii) Preparing the ground to invest in strategic environmental and natural resources management projects.</p>	
<b>Description:</b>	<p>The Environmental Management Program – Phase II - EMPII consists of three components: (1) Development of human resources and institutional capacity for environmental management, (2) Implementing physical and financial capacity for environmental management and, (3) Preparing pre-investment studies for priority environmental and natural resources management projects. These three components will be implemented over a period of 24 months.</p>	

### **1. Developing Human Resources and institutional capacity for Environmental Management (US\$548,000)**

The project will support a financial transition mechanism to consolidate the existing environmental management system, until the GOG assumes full responsibility to cover all EPA recurrent costs. For this purpose the project will provide limited support for the salaries of the Executive Director and the other Directors until the budget of 2002 becomes effective (with a limit of US\$150,000) and for an outside legal counsel to develop legislation pertaining to environmental health and solid waste management and disposal. To continue to build human resources capacity, the project will fund training for EPA staff, staff in partner agencies, and the wider community (NGOs, consultants, private sector, media) in areas such as permit writing, auditing, negotiation, environmental impact assessment, environmental management systems, monitoring and sampling, general pollution control practices. EPA staff will also undergo training in supervision and project management. To ensure that EPA personnel can learn from their peers in the region and elsewhere, the project will fund limited support for travel by junior staff and mid-level managers to attend conferences, workshops, and training sessions directly related to environmental management.

The EPA will design and implement public education and awareness program for environmental requirements. The EPA will also obtain technical assistance in hazardous waste management and emergency response planning. The Guyana Bureau of Standards will finalize and make effective national standards for air, water, noise, and hazardous waste. The EPA will also obtain technical assistance to design a public disclosure program to regularly disseminate information on environmental performance of permitted entities to the public.

### **2. Physical and Financial Capacity for Environmental Management (US\$406,000)**

The project will provide support for the purchase of selected office equipment, two-way radios, minor renovations to the EPA's existing offices and one 4x4 vehicle. EPA staff and staff in partner agencies will undertake locally provided training courses in geographic information systems (GIS), database management, and systems administration. The project will also provide support for the purchase of a server, additional desktop computers, network infrastructure, and various software packages.

The EPA will establish an environmental monitoring plan that places special emphasis on water quality monitoring. The project will support the procurement of monitoring equipment, including basic water quality monitoring kits and equipment for the EPA's field stations.

The Institute of Applied Science and Technology - IAST/EPA environmental laboratory staff will undergo training in good laboratory practices, especially quality assurance and quality control. Selected laboratory equipment will be procured for the environmental laboratory to reinforce existing environmental analytical capabilities.

### **3. Pre-investment studies for priority environment and natural resources management projects (US\$ 250,000)**

Guyana is in urgent need to invest in sustainable development projects and environmental remediation. The preparation of pre-investment studies will allow prioritizing and designing projects to seek donor financing. Preliminary and pre-feasibility studies of at least two priority environmental or natural resources management projects will be prepared. The selection of the projects will be consistent with the priorities presented in the Guyana Environmental Action.

#### **Environmental/ Social Review:**

The CESI/TRG reviewed this Technical Cooperation on July 20, 2001 and suggested the participation of the Amerindians on water quality monitoring program.

#### **Benefits and Beneficiaries:**

This project will provide critical assistance to Guyana at a crucial junction in the development of its nascent environmental management regime. The project will consolidate the significant institutional development gains that were realized during the first EMP. Through the implementation of new requirements and continued strengthening of institutional capacity, the project should lead to actual physical improvements in Guyana's environment before project end. Further, the project will establish a solid foundation for sustained environmental management in Guyana and realization of the goals of Guyana's National Environmental Action Plan.

#### **Risks:**

There are several potential risks to this project: (i) the general development context in Guyana in which it is difficult to recruit and retain qualified managers, particularly in a newer sector such as environmental management; (ii) the dependence of the implementation of an environmental management regime on the continued and enhanced coordination and collaboration of a

variety of government entities; (iii) the fact that the concept of environmental management is still relatively new in Guyana and that, given Guyana's difficult economic situation, environmental protection may be sacrificed for short-term economic development and poverty alleviation; and (iv) the ability of the Government of Guyana to ensure the financial sustainability of the EPA during the early stages of project execution.

These potential risks have been given full consideration in design of this project, and the project has been designed to mitigate these risks to the maximum extent practicable.

**Bank's Country and Sector Strategy:**

The Bank's Strategy for Guyana for the 1998-2001 period seeks to promote sustainable growth and poverty reduction through Bank Group programs designed to address the country's principal development challenges. The simultaneous improvement of public sector efficiency and the enabling environment for the private sector underpins the achievements expected in the social sectors, the provision of infrastructure and safeguarding the environment. The TC supports the country's strategy by strengthening the managerial capacity of the EPA which is the public Institution responsible for ensuring the integrity of the Guyana's resources endowment and the control of environmental pollution, which has direct impact on the health of the population.

**Special Contractual Conditions:**

As conditions precedent to first disbursement the Bank will require:

(i) The appointment of the Executive Director of EPA in accordance with the human resources strategy. The EPA will hire the new Executive Director following a competitive procedure and fulfilling qualifications agreed by the IDB. (Paragraph 3.5)

Other conditions

(i) Resources from the Bank contribution can be used to finance recurrent costs of EPA up to the date when the 2002 budget goes into effect, but the amount used can not exceed US\$150,000.(Paragraph 3.4)

**Poverty-targeting and Social Sector Classification:**

This operation does not qualify as a social equity enhancing project, as described in the indicative targets mandated by the Bank's Eighth Replenishment (Document AB-1704)."

**Exceptions to Bank Policy:**

The project will provide transitional financing, limited to US\$150,000, for salary compensation of the Executive Director and 3 Director positions (Environmental Management, Administration, and Education, Information & Training) until the fiscal year 2002 budget becomes effective. The exception to Policy OP-402 is justified by the need to maintain an adequate level of EPA operating capacity while a financial transition mechanism is put into place to consolidate the existing environmental management system, with the GOG assuming full responsibility to cover all EPA recurrent costs

**Procurement:**

The procurement of works, goods and consulting services will follow bank procedures. International competitive bidding will be obligatory for purchases of more than US\$250,000 for goods and related services. Bidding of amounts below this ceiling will take place in accordance with local legislation. The hiring of consultants will follow Bank's procedures.